

Aboveground Petroleum Storage Act Program Bulletin

January 2008

Aboveground Petroleum Storage Act (APSA) Summary

On October 13, 2007, Governor Arnold Schwarzenegger signed Assembly Bill 1130 (Stats. 2007, ch. 626), which went into effect January 1, 2008. This law transfers the responsibility for the implementation, enforcement, and administration of the Aboveground Petroleum Storage Act (APSA) from the Regional Water Quality Control Boards to the Certified Unified Program Agencies (CUPA's).

The law authorizes the expenditure of the Environmental Protection Trust Fund for training CUPA personnel and allocates all remaining funds to the CUPA's for their costs to implement APSA. The balance in the trust fund in January 2008 was approximately \$8 million and requires appropriation by the Legislature. The training account is established and maintained by the Secretary for the California Environmental Protection Agency (Cal/EPA) who determined that the portion of the fund for training would be \$800,000. The law authorizes allocating to the CUPA's up to 80 percent of their total allocations in advance of actual expenditure. The remaining 20 percent is to be disbursed on a reimbursement basis for program implementation costs. Disbursement of funds will be made through local resolutions and two-year grant agreements between Cal/EPA and each CUPA.

The law also makes conforming changes to ensure consistency with the federal Spill Prevention Control and Countermeasure (SPCC) rule provided in the U.S. Code of Federal Regulations title 40, part 112 (40CFR112).

Assembly Bill 1130 in its entirety is located at
<http://www.calepa.ca.gov/CUPA/Aboveground/AB1130.pdf>.

Provisions of the bill are contained in the Cal/EPA Unified Program fact sheet located at <http://www.calepa.ca.gov/CUPA/Aboveground/FactSheetAPSA.pdf>. The scope of the program that the CUPA's are required to implement and enforce is specified in a separate fact sheet located at <http://www.calepa.ca.gov/CUPA/Aboveground/FactSheetImp.pdf>.

Aboveground Petroleum Storage Act (APSA) Program Startup

- *Unified Program Workgroups:* Cal/EPA in coordination with the United Program Administrative and Advisory Group established two workgroups in August 2007 in anticipation of the AB 1130 passing. The two workgroups are the Administrative Workgroup and the Training Workgroup. Cal/EPA extends a sincere thank you to all the workgroup members for their participation and contributions.
 - The purpose of the Administrative Workgroup is to develop a system to allocate the aboveground storage tank (AST) money from the Environmental Protection Trust Fund to the CUPA's and created the formula to determine each CUPA's share from the trust fund. The workgroup is chaired by Jennifer Lorenzo of Cal/EPA. Members include: Richard Kallman of the City Santa Fe Springs, Jeff Benedict and Linda Kolinski of the City of Long Beach; Jason Boetzer of Calaveras County, Randall Sawyer of Contra Costa County, Joe Canas of Kern County, Lance Ralston of Los Angeles County, Pearl Boelter of Orange County, Mike Vizzier of San Diego County; and Lori Casias and David Ceccarelli of SWRCB.

The purpose of the Training Workgroup is to develop AST-specific inspection standards, course curricula, testing proficiencies, and a statewide delivery mechanism. This workgroup is chaired by John Paine of Cal/EPA. Members include: Janet Ortiz of the City of Santa Fe Springs, John White of the City of Anaheim; Vance Severin of Butte County, Kevin Baitx of Orange County, Rick Bandelin and Jim Wada of Ventura County; Laura Chaddock of SWRCB; and Elizabeth Cox and Peter Reich of U.S. EPA.

- *Inventory of AST Facilities:* Cal/EPA's initial inventory list of AST facilities was based on an SWRCB database and sent to the CUPA's to reconcile in September 2007. Approximately 50 CUPA's reviewed and verified their lists and returned them to Cal/EPA. The reconciled list of facilities is what Cal/EPA, in consultation with the CUPA's, used to develop the fund distribution formula (<http://www.calepa.ca.gov/CUPA/Aboveground/FundFormula.pdf>) to determine the total allocation amount for each CUPA. Between January 1, 2008, and December 1, 2008, CUPA's are required to revise their inventory lists as needed. This revision will serve to determine the final percentage share for each CUPA for any funds remaining from the Environmental Protection Trust Fund, such as accrued interest and unspent training monies.
- *Funding for Program Startup:* Once local resolutions and grant agreements are finalized, CUPA's will each receive 80 percent of their total allocation in advance of expenditure for costs to implement the APSA program. After the 80 percent has been expended, the remaining 20 percent of total allocations will be available on a reimbursement basis. More information regarding the Environmental Protection Trust Fund allocations is available at <http://www.calepa.ca.gov/CUPA/Aboveground/default.htm>.

- *Application for Funding:* On December 10 and 11, 2007, informational packets were sent to all 84 CUPA's that included a transmittal letter, APSA program grant application, sample grant application, sample resolution, the APSA fact sheet, APSA scope of CUPA implementation fact sheet, and SPCC plan requirements. Completed grant applications should be submitted to the Cal/EPA Unified Program no later than March 1, 2008; however, an extension to that deadline will be considered if needed. The grant application form, instructions for completing the application, a sample application, and a sample resolution are located at <http://www.calepa.ca.gov/CUPA/Aboveground/default.htm>.
- *Grant Process:* Cal/EPA held a two-hour workshop for CUPA's via conference call on January 9, 2008, to address all aspects of the grant process, including completing the application, the grant agreement, invoicing and reporting requirements. The questions and answers from the workshop will be posted on Cal/EPA's Unified Program Web site by February 1, 2008, at <http://www.calepa.ca.gov/CUPA/Aboveground/>.

Once Cal/EPA receives a grant application, it will use that information to prepare a grant agreement, which will be returned to the CUPA for signature. Grant agreements and local resolutions **must be** submitted to Cal/EPA no later than June 2, 2008. There will be no extensions to this due date since all grant agreements must be processed by June 30, 2008, to encumber the money this fiscal year.

Once Cal/EPA receives a CUPA's application, signed grant agreement, and local resolution, it will disburse the initial advance allocation, which is the 80 percent of the CUPA's total allocation. The remaining 20 percent of the CUPA's total allocation will be available on a reimbursement basis after the initial 80 percent has been expended. The grant period is for work performed from January 1, 2008, to December 31, 2009.

- *Training Component:* The portion of the fund for training CUPA personnel was set at \$800,000. The training program includes hiring an aboveground tank expert consultant, developing an AST training course, delivering 18 to 24 training sessions through the State with an inspector test, and developing a computer-based training course. Training is expected to be available in late summer or early fall 2008 and will be free of charge to the CUPA's.

Any funds remaining in the training account as of June 1, 2011, will be reallocated to the CUPA's. The Environmental Protection Trust Fund and the training account will be zeroed out as of July 1, 2011, and will be repealed as of January 1, 2012.

- *Outreach Component:*
 - On January 11, 2008, letters were sent to contacts at the California Independent Oil Marketers Association and the Western States Petroleum Association explaining how Cal/EPA is moving forward in implementing APSA and provided the associated fact sheets that are posted on Cal/EPA's Web site. On January 15, 2008, letters and fact

sheets were sent to approximately 7,000 regulated businesses. These letters explained the transferal of the AST program from state to local government and the impact it would have on regulated businesses.

- Cal/EPA will continue using APSA Bulletins as a component of its outreach campaign. It is anticipated that bulletins will be available every other month for the first year of the program; however, they will be available more frequently if necessary.
- Cal/EPA has established a Web page for the APSA Program at <http://www.calepa.ca.gov/CUPA/Aboveground/>. APSA Bulletins will be posted on that page as well as being available through the listserv.

Questions and Answers

Q. What is the scope of the CUPA's responsibility?

A. The scope of work for the CUPA's to implement and enforce the requirements of APSA is specified in a fact sheet located at <http://www.calepa.ca.gov/CUPA/Aboveground/FactSheetImp.pdf>.

Q. When can the CUPA's begin charging the AST's out of the single fee?

A. January 2010.

Q. Is there an AST surcharge?

A. No.

Q. If I have an AST fee now, can I continue to collect it after January 1, 2008?

A. No.

Q. Why do CUPA's need local resolutions for the APSA program?

A. Local resolutions are required to authorize CUPA's to enter into agreements and any amendments with the State of California and to receive the grant funds.